GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:1812
ANSWERED ON:04.08.2005
REDUCTION IN FARES BY INDIAN AIRLINES
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Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Indian Airlines have reduced fares on domestic routes by 60 per cent;

(b) if so, the reasons and details of sectors on which the fares have been reduced?

(c) the total loss likely to be suffered by Indian Airlines due to reduction in fares; and

(d) the other steps taken or being taken by Indian Airlines in this regard?

Answer

MINISTER OF STATE(INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a) and (b): No, Sir. However, in order to remain competitive in the market, Indian Airlines keeps on offering promotional fares/schemes from time to time on various sectors depending on the market dynamics. Effective 5th July, 2005, Indian Airlines has introduced `Easy Fares` on a maximum of four discounted fare levels, on those domestic sector which are facing intense competition.

(c): In Indian Airline`s estimate the marginal loss of yield per passenger on the limited number of seats offered under the scheme are outweighed by the gains likely to be made by winning over new passengers and higher load factors.

(d): Indian Airlines has taken/proposes to take the following measures to improve its overall performance and remain competitive in the market :-

- Comprehensive budgetary control system
- Cost Control and Economy measures
- Fleet augmentation/renewal
- Marketing initiatives
- In-flight initiatives
- Service upgrades on ground
- Improvements in cabin ambience